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Foreign Crops and MARKETS



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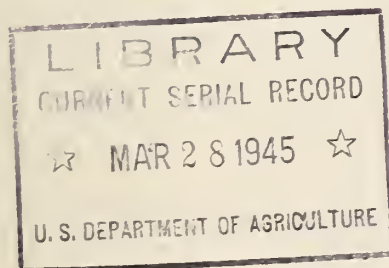
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CANADA PLANS LARGER TOBACCO PRODUCTION

Canada's 1945 production goal for tobacco calls for a 22.5-percent increase in acreage over 1944 plantings, with larger acreages planned for each type of tobacco grown within the country. The proposed increases for flue-cured and burley, which make up the bulk of Canada's total production, are 20 and 33 percent, respectively, over 1944 acreages. With favorable weather conditions, sufficient labor, and adequate supplies of fertilizer, production of all types in 1945 may reach 121.7 million pounds, made up approximately as follows: flue-cured, 98.0 million pounds; burley, 14.8 million; dark, 1.8 million; cigar leaf, 5.2 million; and pine tobacco, 1.9 million. Depleted stocks, heavy consumption by both civilians and the armed services, and demands for export are the principal factors resulting in the high 1945 production goal.

CANADA: Acreage, production, and average farm prices of tobacco,
by type, 1942-1944

TYPE	ACREAGE			PRODUCTION			AVERAGE FARM PRICE	
							PER POUND a/	
	1942	1943	1944	1942	1943	1944	1942	1943
	Acres	Acres	Acres	1,000 pounds	1,000 pounds	1,000 pounds	Cents	Cents
Flue-cured ...	63,980	60,120	73,830	71,860	58,780	83,320	26.2	30.0
Burley	7,820	6,540	9,410	10,220	6,590	11,290	17.0	21.3
Dark	1,610	1,100	1,150	2,150	980	1,470	14.6	16.5
Cigar leaf ...	3,750	2,650	3,050	4,200	2,270	4,150	13.0	15.0
Large pipe ...	350	230	b/ 1,120	380	200	1,450	8.0	17.5
Medium pipe ..	900	280	340	740	190	320	10.0	22.5
Small pipe ...	320	220	160	150	90	100	14.0	27.5
Total	78,730	71,140	89,060	89,700	69,100	102,100	-	-

Dominion Bureau of Statistics and consular reports.

a/ Data for 1944 not yet available.

b/ Includes 675 acres of cigar varieties used for pipe tobacco.

In 1944, production of all types of leaf amounted to 102.1 million pounds from 89,060 acres, compared with only 69.1 million pounds from 71,140 acres in 1943. Production of flue-cured leaf in 1944 amounted to a record of 83.3 million pounds, compared with only 58.8 million in 1943, and with the previous record crop of 79.7 million in 1939. Production of burley and cigar leaf totaled 11.3 and 4.2 million pounds, respectively, in 1944, as compared with only 6.6 and 2.3 million in the preceding year. Production of dark and pipe tobacco was also substantially greater than in 1943.

Negotiations in November 1944 between tobacco buyers and the Ontario Flue-Cured Tobacco Marketing Association failed to result in agreement as to the minimum average price for 1944-crop flue-cured leaf. The Association held out for a price several

cents above the 30-cent minimum average established for the 1943 crop, but the buyers stated that existing price ceilings on manufactured products would not permit them to meet growers' demands. Sales of leaf produced by members of the Association were consummated without the benefit of a negotiated minimum average price for the first time since the present system was inaugurated 11 years ago. Most of the flue-cured sales have been at prices ranging from 25 to 34 cents per pound, averaging little, if any, more than 30 cents. Prices for 1944-crop burley averaged about 23 cents, or approximately 2 cents more than the average price obtained for the 1943 crop.

Wartime prosperity has stimulated consumption of tobacco in Canada in recent years. Heavy shipments of products to armed forces abroad also added materially to the

requirements of leaf tobacco. During the 12 months ended September 30, 1944, about 70.0 million pounds of leaf were taken by tobacco manufacturers, compared with 68.0 million in 1942-43, and an average of only 44.4 million pounds during the 5 years 1935-36 through 1939-40.

The greatly increased output of cigarettes has accounted for most of the rise in use of leaf by manufacturers. Consumer demands, however, for both cigarettes and cigars are considerably in excess of available supplies. Even off-brands of cigarettes are difficult to obtain in many parts of Canada. Supplies of smoking tobacco are reported to be ample. Shortage of factory labor, absenteeism, and machinery breakdowns in manufacturing plants are factors aggravating an already tight supply situation.

The increase in consumption by both civilians and the armed forces and continued substantial exports of leaf, principally to the United Kingdom, have reduced stocks of leaf considerably below the average level of recent years. On September 30, 1944, stocks amounted to only 93 million pounds, as compared with 112 million pounds a year earlier. Most of the leaf held in stock on those dates was of Canadian origin.

Plans have been announced which would permit the export of about 16 million pounds of leaf tobacco in 1945. During the period 1934-1938, Canada's exports of leaf, principally to the United Kingdom, averaged 10.6 million pounds annually. The record export, 32.2 million pounds, occurred in 1939.

Based on a report from
the American Embassy, Ottawa

COTTON CROP IN ARGENTINA AFFECTED BY DROUGHT

Drought conditions in Argentina caused a slight reduction in the 1944-45 planted area to 966,000 acres. This compares with a first estimate for 1943-44 of 995,000 acres. The condition of the current crop, picking of which begins in March, is reported as not very favorable due to drought, and yields may be somewhat lower this year. A final estimate for the record 1943-44 crop placed production at 553,000 bales (of 478 pounds net) from 913,000 acres. Gin yields averaged 32.45 percent.

ARGENTINA: Cotton supply and distribution, 1940-41 to 1944-45
(In bales of 478 pounds net)

ITEM	MARKETING YEAR BEGINNING MARCH 1 a/				
	1940	1941	1942	1943	1944
	Bales	Bales	Bales	Bales	Bales
Carry-over, beginning of season ..	67,512:	165,889:	78,328:	167,937:	325,132
Production	362,481:	232,161:	372,979:	497,603:	553,092
Imports	0:	20,067:	12,798:	4,349:	0
Total supply	429,993:	418,117:	464,105:	669,889:	878,224
Consumption	178,905:	217,125:	271,752:	300,983: b/	368,971
Exports	80,306:	116,544:	6,526:	35,112: b/	46,121
Destroyed	4,893:	6,120:	9,510:	8,284:	b/ 15,755
Unaccounted for		0:	8,380:	378:	
Carry-over, end of season	165,889:	78,328:	167,937:	325,132: b/	447,377
Total distribution	429,993:	418,117:	464,105:	669,889:	878,224

Bureau of Cotton, Argentine Ministry of Agriculture, as reported by the American agricultural attaché at Buenos Aires.

a/ Not to be confused with crop years in the case of production figures.

b/ Partly estimated.

Movement of cotton from producing areas to Buenos Aires was slow and difficult in 1944. The shortage of freight cars and river boats was felt in 1943 but was more

acute in 1944, and no relief is expected soon. The low level of the Paraná River from July to September 1944, with the continued shortage of trucks, intensified the

transportation difficulties for cotton shippers. At the end of December 1944 some 250,000 bales were still stored in the Chaco producing areas, while some merchants in Buenos Aires found difficulty in meeting mill demands for spot cotton. Government-owned stocks in Buenos Aires are available, but most of them have accumulated carrying charges for 2 years at about 9 percent each year, making the prices of this cotton above those prevailing in producing areas.

The cotton carry-over into the new season beginning March 1, 1945, is calculated at 447,000 bales, including mill stocks of 69,000 bales, Government stocks (owned or under loan) of 263,000 bales, cotton owned by merchants 69,000 bales, and that held by cooperatives 46,000 bales. Most of the Government stocks are composed of export types, Grades A, B, and C, about equivalent to American Strict Low Middling and higher. There was no excessive-cotton-stock problem in Argentina until the latter part of 1942. Relatively high exports and consumption and several poor growing seasons prevented excessive stock accumulations until after the large 1941-42 crop was harvested in the first half of 1942.

Government aid in the form of cotton loans was initiated on May 30, 1940, when a relatively low loan price of 500 pesos per metric ton (6.75 cents per pound), was offered for all ginned cotton from the 1939-40 crop, regardless of quality, delivered at Buenos Aires. The original expiration date was December 31, 1940, but it was later extended to June 30, 1941. Prior to initiation of the loan measure, however, the Government aided in effecting an agreement on April 9, 1940, with Argentine cotton mills whereby the mills agreed to pay no less than 850 pesos (11.48 cents) for Grade B cotton and corresponding prices for higher and lower grades. These prices were to be paid for a period of 8 months for quantities of cotton equal to those consumed during the corresponding period in 1939. This agreement was still in effect when the Government loan was instituted and explains why only low-grade cotton was placed under loan in 1940.

Continuation of the Government-loan policy was considered necessary in 1941 in

view of the loss of many export outlets. On February 18, 1941, the Government authorized a new schedule of loan prices ranging from 300 pesos (4.05 cents) for Grade F to 750 pesos (10.13 cents) for Grade A. The short crop of 1940-41 and heavy exports to Spain in 1941 influenced a rise in cotton prices from 767 pesos (10.36 cents) for Grade B in March 1941 to 1,150 pesos (15.53 cents) in May, with minor fluctuations until May 1942. As a result, no cotton entered the loan during that period, and existing stocks were disposed of.

Loan rates were again raised on May 23, 1942, ranging from 500 pesos (6.75 cents) to 1,200 pesos (16.21 cents). A new schedule announced on March 24, 1943, raised the rate for the lower grades (D, E, and F) by 30 to 50 pesos (0.41 to 0.68 cent), that for Grade C was unchanged at 900 pesos (12.15 cents), and those for Grades A and B were reduced by 50 pesos. This schedule was renewed without change on March 10, 1944, and is still in effect.

The minimum-price agreement with local mills was allowed to expire in December 1940, because of the favorable prices existing at that time. On February 10, 1942, however, a processing tax of 15 centavos per kilogram (2.03 cents per pound) was imposed on cotton to be consumed during the year beginning May 1, 1942. This tax was reduced to 10 centavos (1.35 cents) for the next 12 months and was raised to 20 centavos (2.70 cents) for the 10 months beginning May 1, 1944. The tax was designed to provide a fund to offset possible losses that might be incurred by the Bank of the Nation in connection with the Government loan program. More than a million pesos (\$298,000) from this fund are being used in the construction of additional warehouses for cotton. The fund, now estimated at around 30 million pesos (\$8,932,000), will enable the Government to dispose of its stocks at prices much below the present level, if necessary, without sustaining a net loss.

Cotton consumption reached a record level of 369,000 bales in 1944, or 25 percent above the 295,000 bales consumed in 1943 and more than double the figure for 1940. Mill activity has been stimulated by increased purchasing power in Argentina,

high prices for cotton goods, and the absence of any significant competition from imported yarns and piece goods. Several new mills have been built since the war began and others have increased their output. Some of the larger mills are reported to be operating efficiently and are capable of meeting the post-war competition of foreign goods. It is believed, however, in some Argentine quarters that 20 to 25 percent of the expansion that occurred during the past 5 years may be lost through

inability to meet post-war competition, unless greater tariff protection is provided.

Exports of 44,000 bales in 1944 were slightly higher than the 39,000 bales exported in 1943 but amounted to only 34 percent of the average of 129,000 bales for 1935-1939. Cuba, Chile, and Uruguay accounted for most of the 1944 exports. Cuba and Venezuela were the markets for nearly all of the 1943 export total. All cotton exports in these 2 years were made to Latin American countries.

C. H. Barber

CUBAN CANNED MILK OUTPUT BELOW DEMAND

A sharp decline in the production of canned milk in Cuba since 1941 has reduced the output below requirements in that country. The decline, caused in part by wartime changes, was accentuated by serious drought conditions in 1943 and 1944. At the same time, demand continued strong because of improved economic conditions resulting mainly from the sale of large sugar crops at favorable prices. Under these conditions, available stocks rapidly disappeared. Faced with serious shortages, the Cuban Government appealed to the United States in 1943 and again in 1944 for supply assistance. Canned milk is important in the diet of children and babies of lower-income groups in Cuba. Shipments were made from the United States, currently the main source of supply for allied countries. Deficiencies in Cuba are continuing into early 1945, and arrangements for supplies of evaporated milk from the United States have again been made.

The principal factors adversely affecting Cuban canned-milk production have been (1) changes in production practices of the dual-purpose cattle raisers upon whom the island's three condenseries, particularly the largest one in Oriente Province, have relied heavily for milk deliveries; (2) increased diversion of the available supplies of milk to fluid-milk consumption and to the manufacture of other products such as butter and cheese; and (3) drought conditions.

In 1944 and years immediately previous, readily available labor and low beef prices caused producers to turn to milking more cows, and deliveries to condenseries were high. Since 1941, production of beef has been relatively more profitable, and labor has become less available. As a result, fewer cows have been milked.

At the same time, the demand for fluid milk, butter, and cheese has been strong and Government-controlled prices have favored diversion of milk to usage in these alternate product forms. Farmers have been

dissatisfied with the price paid for milk delivered at the condenseries, although the present price of \$2.72 per 100 pounds is double the price paid in pre-war years. At the same time the retail prices have advanced very little. United States producers were receiving \$2.67 per 100 pounds in December 1944 compared to \$1.39 for the years 1935-1939. Cuban canned milk production declined from 55 million pounds in 1941 to 36 million in 1943 and to 32 million in 1944. In addition to economic factors brought on by the war, drought conditions in 1943, and especially in early 1944, seriously reduced pastures, and milk production declined.

Prior to the establishment of condenseries in 1930, Cuba imported annually about 45 million pounds of condensed and evaporated milk. From the time of the opening of the first plant at Bayamo in July 1930, production increased sharply, while imports decreased to only a fraction of the former rate. By 1936, Cuba was able not only to fill all domestic requirements, but also to begin exporting on a small scale.

For the next few years, Cuba's exports of canned milk grew, and in 1941 reached the all-time high of 16 million pounds. In 1942, following the loss of the Far Eastern markets and shipping difficulties resulting from the war, Cuba's exports rapidly declined. In 1944, an embargo on condensed and evaporated milk, together with other dairy products, practically eliminated exports of processed milk.

It is estimated that Cubans consumed from 40 million to 45 million pounds of canned milk annually prior to 1930, when total requirements had to be imported. For the period 1937-1941, when supplies available were largely domestic, Cubans consumed about 37.4 million pounds annually. This was nearly all sweetened condensed milk, which the population prefers and which constitutes the bulk of the output of Cuban condenseries. In 1942, with supplies readily available and the demand strong, consumption again approached 40 million pounds. Production fell short of this level in 1943 and 1944, and supplies were received from the United States. In 1943 imports amounted to 1 million pounds, but in the following year, it was necessary to increase them to 3 million pounds in order to counterbalance the lowered production caused by the drought early in the year, and to relieve distress caused by the hurricane in October.

The supplies going from the United States have been largely evaporated milk, in order that the retail price may be held to the ceilings set in Cuba on canned milk. As a further aid to holding prices at the ceiling and still making it possible for imports to be made, the Cuban Government on November 3 issued a decree waiving the import duty and consular fees on 60,000 cases of canned milk from the United States if imported within 60 days. On December 30, this time limit was extended an additional 30 days.

As January through May is the dry season in Cuba, pastures are usually poor and milk production low in that period. During the summer and fall rainy season, output increases as the pastures improve. Stocks of canned milk are usually built up in the late summer and fall to provide about 6

million pounds as a carry-over on January 1 to offset the reduced production occurring during the winter and early spring. The lowered output of 1944, together with the insistent demand for processed milk throughout the year, did not permit the accumulation of such reserves. Total stocks on January 1, 1945, were only about 500,000 pounds. Foreseeing this shortage, the Cuban Government, late in 1944, appealed to the United States for assistance through the 1945 season. The United States established special allocations under which Cuba will be able to import 6 million pounds of evaporated milk early in the year.

Even so, a tight supply situation in early 1945 is anticipated. Because of the continued drought, pastures are in poor condition. Production of canned milk from January through June probably will average 2 million pounds per month, while imports will average 1 million pounds per month. With demand in this period estimated at more than 4 million pounds, shortages will become increasingly severe. As pasture conditions improve, output in the latter half of 1945 is expected to reach a monthly average of 4 million pounds. Should this occur, 1945 production may show a slight increase over that of 1944. Demand is expected to absorb all current output, however, so that stocks on December 31, 1945, will be negligible, and Cuba will remain on an import basis through 1946.

CUBA: Production, trade, and disappearance of condensed and evaporated milk, 1937-1944

YEAR	PRO- DUCTION	IMPORTS	EXPORTS	DIS- APPEAR- ANCE
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1937 ...	29,418	4,550	3	33,965
1938 ...	35,710	5,997	77	41,630
1939 ...	34,615	1,261	17	35,859
1940 ...	39,395	600	4,090	35,905
1941 ...	54,874	626	15,620	39,880
1942 ...	40,612	79	700	39,991
1943 ...	36,185	1,098	34	37,249
1944 ...	31,812	2,891	1	34,702

Official sources.

Regina Murray

LATE COMMODITY DEVELOPMENTS

GRAINS, GRAIN PRODUCTS, AND FEEDS

ARGENTINA REVISES GRAIN PRODUCTION ESTIMATES

The 1944 outturn of wheat and rye in Argentina was somewhat less than was expected, according to the second official production estimate recently released. The reduced harvest was attributed to damage from the widespread drought, which was one of the most severe ever experienced in that country.

The wheat harvest, as estimated at 156,133,000 bushels, is about 100,000,000 bushels less than the average production during the 5 years ended with 1942. The crop is about 10,000,000 bushels smaller than the first estimate, issued late in December.

Rye production is now estimated at 10,216,000 bushels, which is about the same as the average during 1938-1942. It is, however, about 40 percent less than the first estimate of the current crop.

The outturn of oats has been revised upward and is now placed at the much-above-average level of 72,139,000 bushels. At that figure the crop would be one of the largest recorded. The barley production is estimated at 26,377,000 bushels, which is above average, though somewhat below the large 1943 crop.

ARGENTINA: Grain production, 1944 with comparisons

GRAIN	AVERAGE:		1944	
	1938-	1943	FIRST	SECOND
	1942	:	ESTI-	ESTI-
	:	:	MATE	MATE
	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels
Wheat	256,568	249,855	166,703	156,133
Rye	10,019	21,936	16,889	10,216
Oats	43,127	63,713	63,038	72,139
Barley	23,787	33,005	27,328	26,377
	:	:	:	:

From official sources.

TANGANYIKA ANNOUNCES GUARANTEED CORN PRICE

Growers in Tanganyika are guaranteed a minimum price for corn during 1945 and 1946. The 1945 guaranteed price has been announced at 13 East African shillings per 100 kilograms, or about 67 cents per bushel, basis free on railcar at sender's station. Payment of the minimum price is contingent on compliance with the Government's regulations pertaining to quality. In addition to the minimum price, corn growers are guaranteed a minimum return of 40 shillings (about \$8.09 in United States currency) per acre, as insurance against loss. (Also see Foreign Crops and Markets, January 22, 1945.)

ARGENTINE CORN ACREAGE DECREASED

The first estimate of the corn acreage planted in Argentina for harvest in the spring of 1945 is placed at 9,889,000 acres, or about a million acres less than the area planted a year ago. At that level the acreage would be the smallest planted to corn since 1924. The acreage for the 5 years, 1938-1942, averaged about 13,700,000 acres, on a planted basis.

Unfavorable soil conditions in parts of the corn belt at planting time contributed to the acreage reduction. Yield prospects were reduced substantially by continued drought conditions, coupled with extremely high temperatures over large areas of the corn zone. A considerable part of the crop is reported to be a failure in parts of Córdoba, Santa Fe, and Entre Ríos. Conditions in the Province of Buenos Aires, and in south Santa Fe and southeast Córdoba, however, are in more favorable condition. Timely rainfall could effect a good recovery in those areas.

ARGENTINE RICE ACREAGE AGAIN LARGE

The first official estimate for the 1944-45 rice acreage in Argentina forecasts

an area of 128,000 acres, against 118,000 acres for the corresponding estimate a year earlier. The final estimate placed the harvested area in 1943-44 at 128,200 acres. Rice acreage in the last 2 years has shown a marked gain over that during the 5 years ended with 1942-43, which amounted to only 85,000 acres.

The surplus from the 1943-44 rice crop was sufficient for the first time to export a relatively large quantity of rice. About 55 million pounds was authorized for exportation last November, but recent information indicates that export restrictions have been enforced. Argentina 15 years ago was the largest rice importer in South America.

VEGETABLE OILS AND OILSEEDS

ARGENTINE PEANUT CROP NOT AFFECTED BY DROUGHT

Argentina's most important peanut-producing area has escaped the drought that severely damaged most of the 1944-45 crops. According to the first official estimate, 438,000 acres have been planted, and prospects for a record crop are excellent. Harvesting begins in April and extends through June.

ARGENTINA: Peanut acreage, 1944-45 with comparisons

YEAR	FIRST ESTIMATE	FINAL ESTIMATE
	Acres	Acres
1940-41	185,325	185,325
1941-42	182,113	182,113
1942-43	278,729	a/ 305,314
1943-44	390,418	358,742
1944-45	438,109	

Compiled from official sources. a/ Revised.

ARGENTINA REPORTS RECORD SUNFLOWER ACREAGE; DROUGHT MAY REDUCE YIELD

According to the first official forecast, Argentine sunflower acreage for harvest in April is placed at 3,695,000 acres, compared with the corresponding estimate of 3,306,000 last year. This represents an

increase of 11.8 percent and is the largest area ever sown to this crop in Argentina. Despite the larger acreage, the yield is expected to be smaller than in 1944, as the drought has been severe in the Provinces in which this crop is grown.

ARGENTINA: Sunflower acreage, 1944-45 with comparisons

YEAR	FIRST ESTIMATE	FINAL ESTIMATE
	Acres	Acres
1940-41	1,225,616	1,418,678
1941-42	1,853,250	1,853,250
1942-43	1,618,505	a/ 1,255,841
1943-44	3,306,198	a/ 3,108,716
1944-45	3,694,639	

American Embassy, Buenos Aires. a/ Revised.

INDIAN PEANUT ACREAGE LARGER THAN LAST SEASON

The area under peanuts in the principal growing districts of India is estimated at 8,663,000 acres for 1944-45, compared with the corresponding estimate of 8,631,000 acres (revised) last season. No estimate of the yield is available at this time. The final figures for 1943-44 were 8,531,000 acres and 3,702,000 short tons. The condition of this season's crop is not yet determined, as the weather has not been too favorable.

COTTON AND OTHER FIBERS

IMPORTS OF COTTON INTO CANADA SHOW SLIGHT INCREASE

Imports of cotton during the first 10 months of 1944 totaled 272,000 bales compared with 222,000 for a similar period in 1943. Imports from the United States represented about 94 percent of the 1944 total and 92 percent in 1943. The Canadian Government announced in December that the import quota for Brazilian cotton for the first 3 months of 1945 is equivalent to 70,293 bales, or 3 times the quota for the last quarter of 1944. Available shipping space, however, did not equal the quota

for that quarter, and no significant improvement is expected in the near future.

The price of American cotton, Middling 15/16 inch, landed in Canada, was about 19 cents per pound on December 8, while Brazilian cotton of comparable quality was quoted at 18.50 to 18.75 cents. Cotton spinners generally prefer American cotton when the price difference is not more than about 1 cent per pound. The Canadian Government pays an import subsidy on cotton in order that manufacturers may meet the ceiling prices for cotton goods and still make their minimum profit.

POOR COTTON CROPS REPORTED IN EAST AFRICA

Drought in British East Africa during June and the first half of July 1944 caused delays in cotton planting and some reduction in acreage and yields. Late rains improved the condition of the crop in Uganda, except where hail and excessive rain caused some damage. Drought was prolonged in Kenya and Tanganyika and the cotton crops are expected to be small. Reduced cotton acreage in all 3 areas is attributed partly to a general wartime shift to the cultivation of food crops.

An official report placed the 1944-45 cotton acreage in Uganda at 1,137,000 acres, compared with 1,234,000 acres for the previous year and an average of 1,477,000 acres for the 5 pre-war years ended with 1939-40. The 1944-45 production is estimated unofficially at 167,000 bales (of 478 pounds net). This is about equal to the small 1943-44 crop but somewhat smaller than the pre-war average of 281,000 bales. The crop is usually picked during November-March.

The 1944 crop in Tanganyika (picked during August and September) is estimated at 20,400 bales, compared with 32,100 bales in 1943. No estimate was given for the 1944-45 crop in Kenya (picked during December-February) but it was reported to be very poor and may not exceed last year's small crop of 4,200 bales.

The British Government, through the local administrations, has offered minimum prices since about November 1942 for cotton

produced in all three areas and has purchased nearly all of it. The bulk of it was exported to India and Australia. In July and August 1944, several associations of cotton exporters were organized in the principal cotton-growing Provinces with authority to buy Government-owned cotton at prices specified by the Director of Agriculture in each Protectorate. Prices of Tanganyika Grade A cotton (Mwanza and Shinyanga) were fixed on July 11, 1944, at 870 and 845 rupees per candy (33.43 and 32.47 cents per pound), respectively in warehouses at Bombay. On August 26, 1944, the price of Grade A Tanganyika cotton (Central Line) was fixed at 955 rupees (36.69 cents) at Bombay.

WEEKLY COTTON PRICES ON FOREIGN MARKETS

The following table shows certain cotton price quotations on foreign markets, converted at current rates of exchange.

COTTON; Price of certain foreign growths and qualities in specified markets

MARKET LOCATION, KIND, AND QUALITY	DATE: 1945:	PRICE PER POUND
		Cents
Alexandria (spot)	:	:
Ashmouni, F.G.F.	2-1 :	29.23
Giza 7, F.G.F.	2-1 :	32.57
Karnak, F.G.F.	2-1 :	31.94
Bombay (March futures)	:	:
Jarila	2-2 :	16.97
Bombay (spot)	:	:
Kampala, East African	2-2 :	36.31
Buenos Aires (spot)	:	:
Type B	2-3 :	14.72
Lima (spot)	:	:
Tanguis, Type 5	2-3 :	15.47
Recife (spot)	:	:
Mata, Type 5	2-2 :	12.68
Sertao, Type 5	2-2 :	13.50
São Paulo (spot)	:	:
São Paulo, Type 5	2-2 :	13.91
Torreón (spot)	:	:
Middling, 15/16"	2-2 :	18.11
	:	:

Compiled from weekly cables from representatives abroad.

FRUITS, VEGETABLES, AND NUTS

PRODUCTION OF APPLES AND PEARS IN CHILE

Production of apples, graded and boxed, from the 1944-45 crop in Chile is estimated at 600,000 boxes of 50 pounds each, according to trade sources. This is about 9 percent less than the 1943-44 crop of 660,000 boxes. A large percentage of the usual exportable surplus can be disposed of domestically without too much difficulty in case it cannot be moved to foreign markets.

The production of pears, graded and boxed, is estimated at 75,000 boxes, of which 50,000 are early varieties and 25,000 are late, or export, varieties. This figure represents about 85 percent of the total production of boxed pears.

SUGAR

DRY WEATHER CURTAILS CUBAN SUGAR PROSPECTS

Sugar production from the 1945 crop is estimated at 4,750,000 short tons, or 16 percent less than the crop of 1944, when 16 percent was made into invert molasses for industrial alcohol production in the United States. Since it is unlikely that invert molasses will be made in 1945, the crop of raw sugar will be about the same as the previous crop of 4,741,000 short tons.

Rainfall in the important sugarcane areas of Cuba was less than normal during the first 5 months and during the last 2 months of 1944, but for the critical months rainfall was about normal. The yield per acre of cane of the 1945 crop probably will be lower than the average of recent years, because of the dry weather and because all available cane was cut in 1944, thus leaving no high-yielding cane of 2-year growth for harvest in 1945.

About one-third of the cane available for 1943 was left uncut and after 2 years' growth was harvested in 1944. Such 2-year-growth cane usually yields about 50 percent more than that cut every year. The yield is now indicated at around 15 tons per acre. This will be lower than it has been for the

past 10 years, and compares with a 10-year average of 17.27 tons per acre and with the high yield of 18.5 tons obtained in 1944.

BRAZIL HAS ANOTHER LARGE SUGAR CROP

The 1944-45 sugar crop in Brazil is estimated at 1,397,000 short tons, or about as large as the record 1943-44 crop. Pernambuco, the largest producing State in Brazil, had an unusually good season due to better cultivation and fertilization methods. The sugar industry in Brazil is prospering, and production continues to increase. A resolution has been passed permitting unlimited sugar production for 5 crop years beginning with 1944-45. Prospects are good for another relatively large crop in 1945-46.

SUGAR PRODUCTION IN ARGENTINA INCREASED

Production of sugar in Argentina for 1944-45 is estimated at 506,000 short tons, an increase of 12 percent over the crop of 452,000 tons in 1943-44. Problems in the industry concerning higher prices to growers, higher factory costs, higher wages, and better working conditions for factory workers were solved by an increase of about 1 cent per pound in the retail price for refined sugar. The previous maximum price was 6 cents per pound.

LIVESTOCK AND ANIMAL PRODUCTS

DRY WEATHER IN JANUARY AFFECTS CATTLE IN PARAGUAY

January was a very dry month in Paraguay, and pastures have deteriorated again after recovering somewhat from the drought that occurred during the winter and spring months (July-October) of 1944. As a result of the dry weather in January, the condition of animals is poor, and unless pasturage improves considerably during the course of the next few weeks slaughtering operations will not follow the usual course. In normal years packing for export is begun between February 1 and 15, but it now seems that operations may not begin before March 1.

DRY DECEMBER CAUSES DETERIORATION IN ARGENTINE PASTURES

Argentine pastures suffered to some extent from lack of rain during December, but conditions generally were described as fair to good in early January, except in the northwest of the Province of Buenos Aires, in La Pampa, and in the northern part of Santa Fe. Natural pastures in the Province of Entre Ríos and in eastern Rio Negro were described as fair to poor. Light to heavy rain was reported in the last days of January, especially in the grain and livestock zones of the Province of Buenos Aires.

The health of livestock throughout the country was reported as good in December, with the exception of the area around Tres Arroyos and Talpalque in the southeastern part of Buenos Aires Province. The condition of cattle and sheep in the Province of Rio Negro and San Luis was reported to have improved.

WOOL CEILING PRICES UNCHANGED IN UNITED KINGDOM

British manufacturers producing yarns and cloth for the domestic market have, through Government control, obtained their raw material at a stabilized price for over 4 years; and the period has recently been extended to June 30, 1945.

Thus, the so-called Wool Control "Issue" prices No. 13 and No. 14 for raw wool and tops used in manufacturing goods for the domestic trade, which have been in effect since November 1, 1940, will continue to remain the official ceiling prices for the new ration period, March 1 to June 30, 1945.

These prices, however, are considerably above pre-war prices for comparable grades. On September 5, 1939, when the Wool Control began to operate, the price of wool was set at a level somewhat lower than the open market price for comparable grades. After an agreement had been reached concerning the price to be paid by the Wool Control for the exportable surpluses of Australia and New Zealand, the Wool Control took over all stocks of foreign and colonial wool in the United Kingdom at a so-called "take over"

price, which was from 1 to 3 cents a pound above the price set on September 5. "Issue" prices were subsequently announced, which were 2 to 4 cents a pound above the "take over" prices. These prices were again increased in March 1940 and in November 1940.

UNITED KINGDOM: Ceiling price per pound of specified types of colonial raw wool, clean scoured basis, 1939 to date

DESCRIPTION	: ISSUE PRICE FOR a/ : DOMESTIC CONSUMPTION		
	: OCT. 23: MAR. 1: NOV. 1		
	: 1939 : 1940 : 1940 b/		
	: Cents	: Cents	: Cents
Combing types -	:	:	:
64's warp	42.6	57.0	59.7
56's super	34.2	49.9	52.1
44's prepared	27.2	36.9	38.7
Clothing types -	:	:	:
Australian -	:	:	:
Fleece 70's	43.0	59.5	62.2
Locks 60's/64's	28.0	41.1	42.9
Skin wool 64's	43.0	57.8	60.5
Cape shorts 64's/70's:	33.0	47.8	50.1
New Zealand 50's/56's:	:	:	:
Second pieces	25.9	38.6	40.3
Slipped lamb's	30.1	41.9	43.7

Official sources. Converted at current rates of exchange in 1939; at official rate for later years.

a/ Price to manufacturers producing for domestic market. (Prices for combing types as of October 23, 1939, are a correction of those published in Foreign Crops and Markets, October 30, 1944. The quotations for the latter date were for tops.)

b/ Prices announced September 13, 1940, with effective dates of November 1 for use of wool in yarns and cloth for domestic consumption; January 1, 1941, for use in yarns for export and March 1, 1941, for use in cloth for export.

On July 1, 1942, issue prices to manufacturers producing yarns and cloth for export were increased 20 percent above the prices established in November 1940 thus to discourage such production, but on October 1, 1944, the Wool Control announced price reductions ranging from 8 to 12 percent, depending on grade. (See Foreign Crops and Markets, October 30, 1944, for detailed discussion of effect of Wool Control price policy on yarn and cloth production for export.)

DAIRY PRODUCTION IN NEW ZEALAND IMPROVES

New Zealand production of butter and cheese, in the first 4 months of the 1944-45 season (August-November) showed a substantial increase over the corresponding months a year ago, despite the rather dry condition of pastures reported in one dairying district. Butter production, following the usual end-of-season decline, improved rapidly with the opening of the new production year, and to the end of November showed an increase of more than 20 percent over the same period in 1943. The output of cheese did not improve at the same rate as butter, but at the end of the first 4 months of the 1944-45 season, had increased about 10 percent over the same months of the preceding year.

Exportation of butter and cheese from New Zealand continues. Butter exports in August and September 1944, the latest period

for which figures are available, totaled 16,515,000 pounds, a marked increase over the 9,753,000 pounds shipped from New Zealand in the same 2 months of 1943. Cheese exports in August and September amounted to 5,984,000 pounds, exceeding those of 1943 by more than 700,000 pounds.

Production of evaporated milk in the 3 months ended September 1944 amounted to 2,159,000 pounds, which is an increase of 1,000 pounds over production for the same quarter of 1943. Condensed-milk production in the July-September period of 1944 fell below that of the preceding year, production in 1944 being 273,000 pounds as compared with 278,000 pounds in 1943. Dried milk, principally dried-skimmed, is manufactured on a much larger scale than either evaporated or condensed milk. Production in the third quarter of 1944 amounted to 5,528,000 pounds, greatly in excess of the 4,761,000 pounds produced in the same 3 months of 1943.

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OFFICE OF FOREIGN AGRICULTURAL RELATIONS
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